



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

DEC 18 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Hudson Valley Management Associates, Inc.
c/o Stanley A. Schutzman
Hanig, Handel & Schutzman
22 IBM Road, Suite 210
Poughkeepsie, NY 12601

Re: Schatz Plant Superfund Site, Town of Poughkeepsie, Dutchess County, NY
Demand to Stanley Schutzman for Reimbursement of Response Costs
Pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act

Dear Mr. Schutzman:

The U.S. Environmental Protection Agency ("EPA") is charged with responding to the release or threatened release of hazardous substances, pollutants, and contaminants into the environment and with enforcement responsibilities under the Comprehensive Environmental Response, Compensation, and Liability Act, as amended ("CERCLA"), 42 U.S.C. §9601 et seq.

EPA documented the release and threatened release of hazardous substances into the environment at the Schatz Plant Superfund Site (the "Site"), located at 60-70 Fairview Avenue in the Town and City of Poughkeepsie, Dutchess County, New York 12601. The Site consists of 43 interconnected buildings located on approximately 20 acres of land.

By letter dated July 22, 2008, modified by letter dated October 21, 2008, the New York State Department of Environmental Conservation ("NYSDEC") requested EPA undertake a removal action at this Site under CERCLA.

In response to NYSDEC's request, EPA conducted a Removal Site Evaluation ("RSE") which was completed on June 19, 2009. The RSE documented numerous hazardous substances that had been abandoned, released or which were posing a threat of release into the environment including drums of ammonia, hydrogen peroxide, formic acid, hydrochloric acid and sodium hydroxide. Additional hazardous substances identified included chlorinated benzenes, sodium hypochlorite, chlorine, toluene, ethyl benzene, xylene, cadmium, chromium, mercury, asbestos and other materials that are hazardous wastes based on characteristics of ignitability and corrosivity.

Based upon EPA's evaluation of conditions at the Site, EPA decided to undertake a response action in the nature of a time-critical "removal" action (as defined in Section 101(23) of CERCLA, 42 U.S.C. § 9601(23)) at the Site. The removal action included, among other things, the collection, consolidation and sampling of over 300 drums and over 200 laboratory size containers of waste. These materials were collected and staged after a thorough examination of the 43 interconnected buildings. EPA then arranged for the collection, consolidation, staging and disposal of hazardous materials found at the Site.

EPA spent public funds in responding to conditions at the Site and may spend additional public funds. The current estimate of these costs as of November 30, 2013 is approximately \$2,509,500.

On July 12, 2011, EPA notified Hudson Valley Management Associates, Inc. ("Hudson Valley") that it had reason to believe that it was the current owner of a parcel of property at the Site and may have been an owner at the time of the abandonment of hazardous substances there and accordingly, it may be liable with respect to the Site under Section 107(a) of CERCLA, 42 U.S.C. Section 9607(a).

Under CERCLA, responsible parties may be held liable for monies expended by the federal government in taking response actions at and around sites where hazardous substances have been released, including investigative, planning, removal, remedial, and enforcement actions. Abandonment constitutes a "release" under CERCLA. Responsible parties also may be subject to orders requiring them to take response actions themselves. Responsible parties under CERCLA include, among others, the current and past owners or operators of a facility from which there has been a release or threatened release of a hazardous substance. As noted above, Hudson Valley was previously notified that EPA has determined that it may be liable under Section 107(a) of CERCLA as an owner of the Site.

Demand for Reimbursement

As mentioned above, EPA estimates that it has spent at least \$2,509,500 through November 30, 2013 in performing the removal response action at the Site.

In accordance with Section 107(a) of CERCLA, demand is hereby made on Hudson Valley and other responsible parties, for reimbursement to EPA of \$2,509,500 in response costs that, as of November 30, 2013, have been paid but not yet recovered by EPA pursuant to CERCLA with respect to the Site. Pursuant to Section 107(a) of CERCLA, interest on \$2,509,500 will accrue from the date of receipt of this letter, and interest on any additional costs incurred thereafter will accrue from the date of expenditure.

Within thirty (30) days of your receipt of this letter, Hudson Valley you should notify EPA in writing as to whether it is willing to reimburse EPA for the aforementioned costs. If Hudson Valley does not notify EPA within the stated period that it is prepared to make such reimbursement, EPA will conclude that you do not plan to reimburse EPA for its past costs, and EPA may seek to initiate an enforcement action against Hudson Valley, including potentially civil litigation.

Hudson Valley or its lawyer may notify Andrew L. Praschak of EPA's Office or Regional Counsel of its intentions with respect to EPA's demand for reimbursement. Please note that while this demand for reimbursement is being transmitted to three entities which we believe to be related, we are only seeking recovery of the above-specified amount, in total, from any or all parties so notified. Questions of a technical nature which pertain to the response action performed or the costs associated therewith may be

directed to Marissa Truono. Mr. Praschak and Ms. Truono may be notified by e-mail or by regular mail at the following addresses:

Marissa Truono
Emergency and Remedial Response Division
Response and Prevention Branch
U.S. Environmental Protection Agency, Region II
2890 Woodbridge Avenue, MS-211
Edison, New Jersey 08837

Or, by e-mail, at: truono.marissa@epa.gov

and

Andrew L. Praschak, Esq.
Assistant Regional Counsel
New York/Caribbean Superfund Branch
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway, 17th Floor
New York, NY 10007-1866

Or, by e-mail, at: praschak.andrew@epa.gov

Ability to Pay Settlement

If Hudson Valley believes that it is financially unable to reimburse EPA the full amount of its costs, EPA will take Hudson Valley's ability to pay into account in any settlement discussions with you. An "ability to pay" settlement with EPA might involve a schedule for payment over time or a reduction in the principal payment.

Under EPA policies regarding ability to pay settlement, it is the responsibility of the person seeking such settlement to provide information that EPA deems sufficient so that the Agency may make a determination of such person's ability to pay. Please note that EPA policy directs the Agency, in assessing ability to pay settlements, to consider, among other factors, the degree of cooperation provided by a person seeking an ability to pay settlement.

Please give the matters addressed in this letter your immediate attention. If you have any questions, you may contact Marissa Truono at 732-321-4460 who will be able to address technical questions concerning the cleanup that EPA performed at the Site or, for questions concerning legal matters, your lawyer may contact Andrew Praschak at 212-637-3172.

Sincerely,



Nicoletta M. DiForte
Senior Enforcement Policy Advisor
Emergency and Remedial Response Division

cc: Keith Byron, Dutchess County Department of Law